

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

(SUBMIT IN TRIP)
(Other instructions on
reverse side)

Form approved.
Budget Bureau No. 1004-0136
Expires August 31, 1985

30-815-29724

5. LEASE DESIGNATION AND SERIAL NO.

NM-16814

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK

DRILL ☒

DEEPEMED BY

PLUG BACK ☐

b. TYPE OF WELL

OIL
WELL ☒

GAS
WELL ☐

OTHER ☐

SINGLE
ZONE ☐

MULTIPLE
ZONE ☐

2. NAME OF OPERATOR

Challenger Energy, Inc.

O. C. D.

3. ADDRESS OF OPERATOR

P.O. Box 1262, Artesia, NM 88211-51262

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*

At surface

1659' FNL and 330' FWL of Section 18

At proposed prod. zone

Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

18 Miles south/southeast of Malaga, NM

10. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drig. unit line, if any)

330'

18. DISTANCE FROM PROPOSED LOCATION*

TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

1329

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

3018'

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4	8 5/8	24	670 (top of Rustler)	Circulate to surface
7 7/8	4 1/2	10.5	3500'	300 SXS.

Actual production casing setting depth to be determined after logging operations are evaluated. Equivalent or adequate weights and grades of casing may be substituted at time casing is run. Producing zones will be perforated and stimulated as necessary.

Mud Program: F.W. Gel/LCM to 670'; Brine to 3500'.

BOP: 3000# W.P., Double ran type preventer will be in use while drilling below surface casing. See Exhibit "B".

Posted ID-1
NL, API
2-13-87

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

SIGNED

Craig Huber

TITLE

Vice-President

DATE

1/14/87

(This space for Federal or State office use)

PERMIT NO.

Orig: 83d. Chas. S.

APPROVAL DATE

APPROVED BY

Area Manager

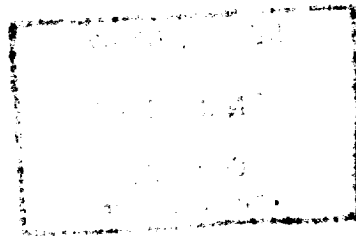
TITLE

DATE

1-29-87

CONDITIONS OF APPROVAL, IF ANY:

*See Instructions On Reverse Side



**NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT**

Form C-102
Supersedes C-128
Effective 1-1-85

All distances must be from the outer boundaries of the Section

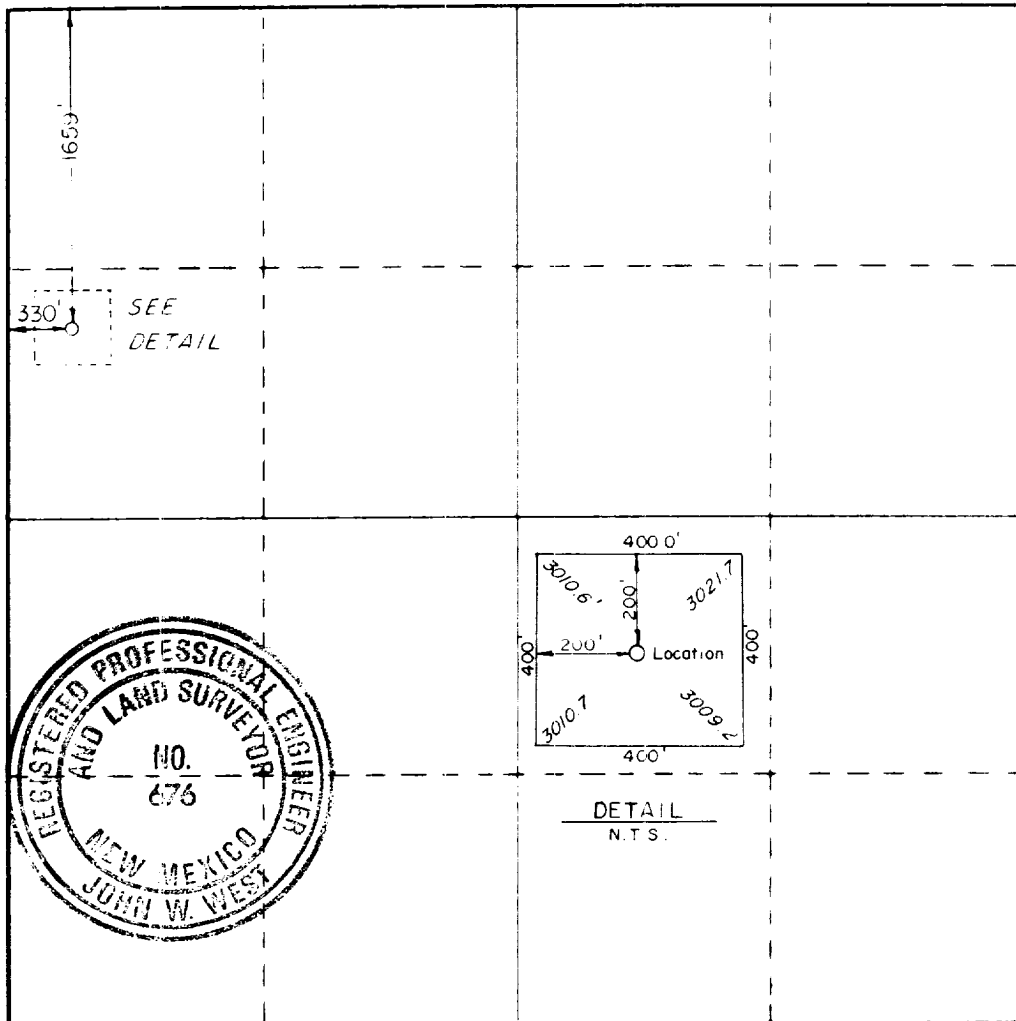
Operator CHALLENGER ENERGY INC.		Lease BEDENA FEDERAL		Well No. 3
Tract Letter E	Section 18	Township 26S	Range 30E	County EDDY
Actual Portage Location of Well: 1659 feet from the NORTH line and 330 feet from the WEST line				
Ground Level Elev. 3018.0	Producing Formation Delaware	Pool Brushy Creek Delaware	Dedicated Acreage: 40 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

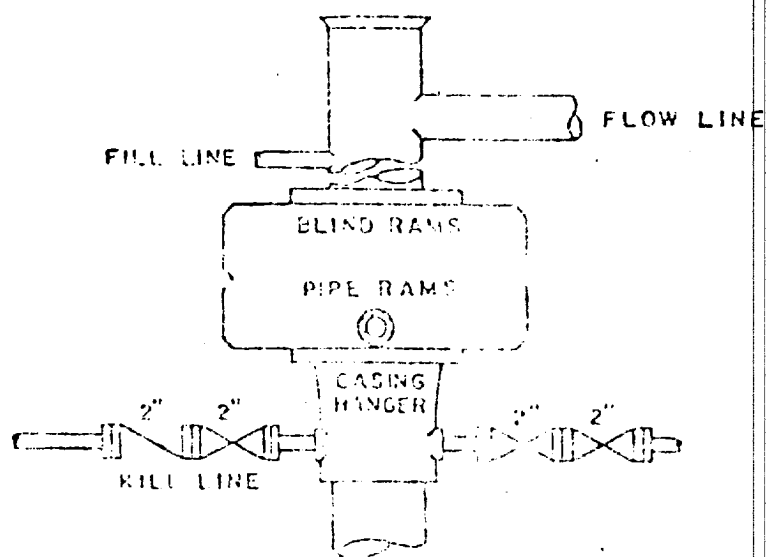
Name **Craig Zuber**
 Position **VP**
 Company **Challenger Energy**
 Date **1/14/87**

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed
JANUARY 9, 1987

Registered Professional Engineer
and/or Land Surveyor

John W. West
 Certificate No. **JOHN W. WEST, 676**
RONALD J. EIDSON, 3239



BOP STACK

3000 PSI WORKING PRESSURE

DEPTH INTERVAL

FROM 8 5/8" CASING SEAT TO TOTAL DEPTH

Exhibit B

BOP ARRANGEMENT

CHALLENGER ENERGY, INC.
Bedena Federal #3
1659' FNL and 330' FWL
Sec. 18, T-26S, R-30E
Eddy County, New Mexico

In Conjunction with Form 3160-3, Application for Permit to Drill subject well, Challenger Energy, Inc. submits the following ten items of pertinent information in accordance with BLM requirements.

1. The geologic surface formation is sandy alluvium.
2. The estimated tops of geologic markers are as follows:

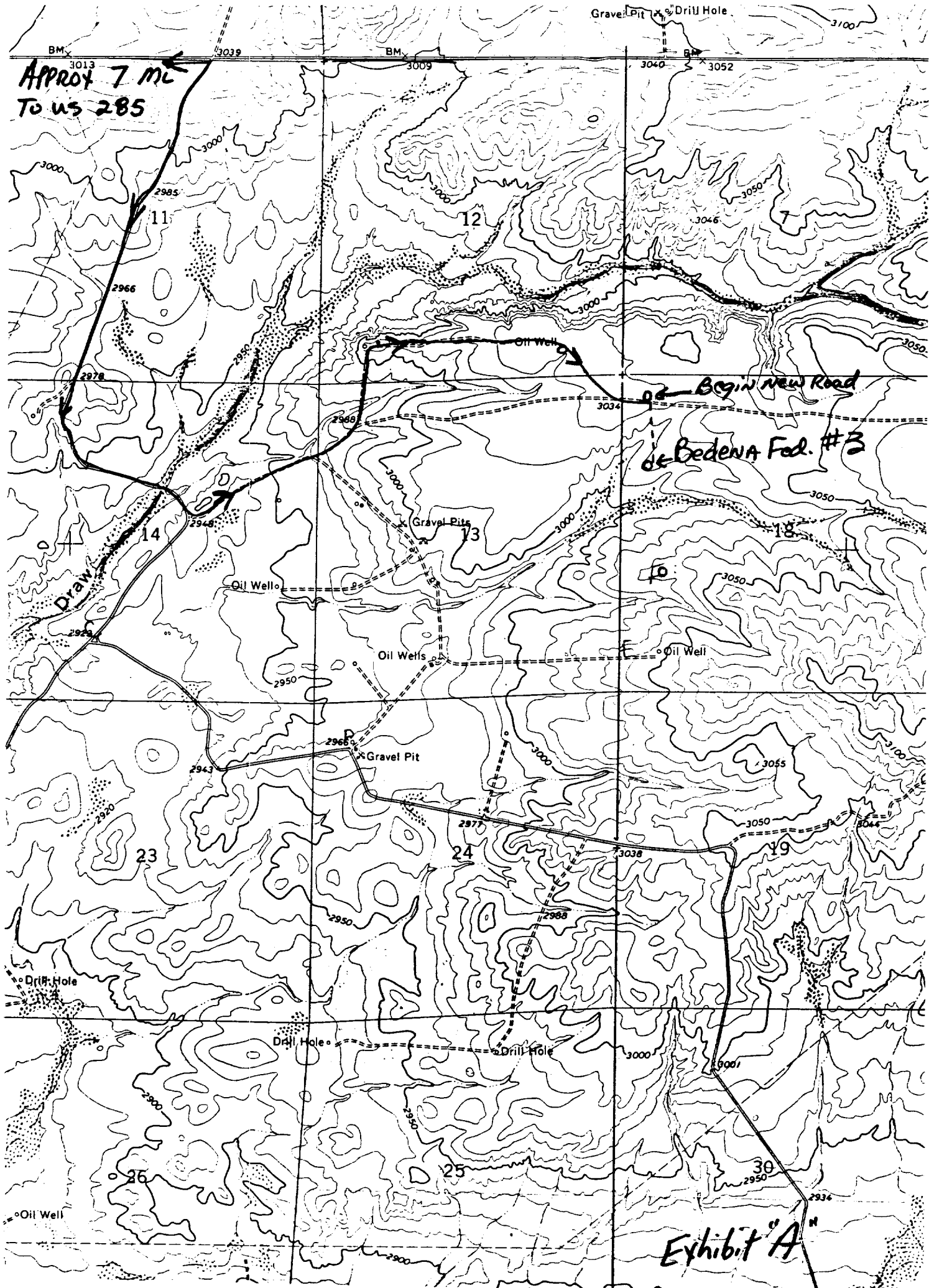
Rustler Anhydrite	650'
Base Castile	3270'
Delaware Sand	3300'

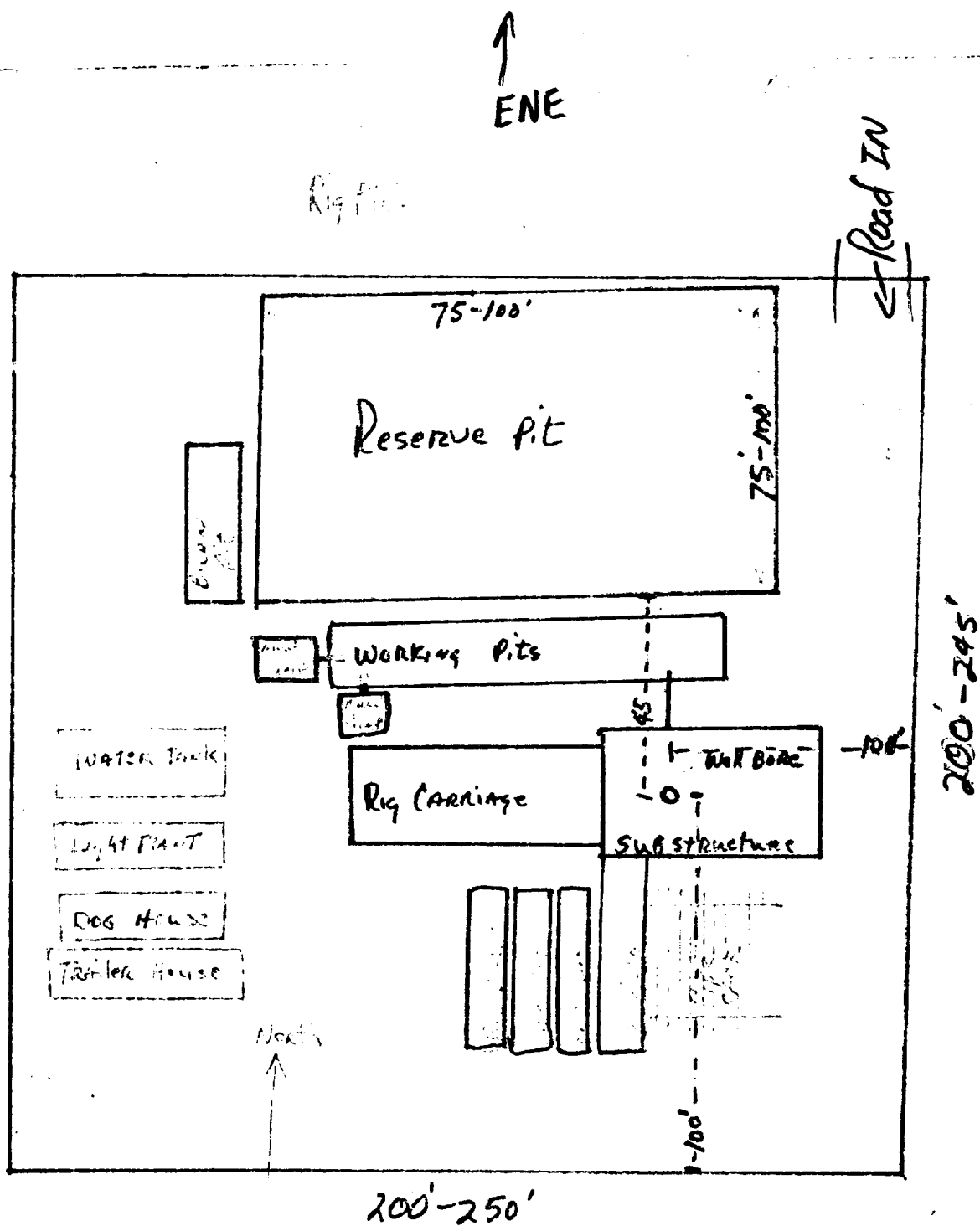
3. The estimated depths at which anticipated water, oil or gas formations are expected to be encountered:

Oil: 3340'

4. Proposed Casing Program: See Form 3160-3
5. Pressure Control Equipment: See Form 3160-3 and Exhibit B
6. Mud Program: See Form 3160-3
7. Auxiliary Equipment: Sub with full-opening valve on floor, drill pipe connection.
8. Testing, Logging and Coring Program:

Samples:	3340' - 3500'
DST's:	As Warranted.
Coring:	None.
Logging:	CND TD to 3100', DLL TD to 3100', and Gamma Ray TD to Surface.
9. No abnormal pressures or temperatures are anticipated.
10. Anticipated Starting date: As soon as possible after approval. (Prior to February 9, 1987)





Only Rig PLAT
Exhibit C